



# Final Report

Interim 2003

## “Looking for Solutions”



## State of Washington Legislative Committee on Economic Development and International Relations

### Committee Chair

Lieutenant Governor Brad Owen

### Committee Members

Senator Rosa Franklin  
Senator Pat Hale  
Senator Mike Hewitt  
Senator Larry Sheahan  
Senator Betti Sheldon  
Senator Paull Shin

Representative Roger Bush  
Representative Jerome Delvin  
Representative William Eickmeyer  
Representative Phyllis Kenney  
Representative Dan Roach  
Representative Velma Veloria

# Legislative Committee on Economic Development and International Relations

**Title 44.52.030 RCW: Powers - Study and Review of economic issues.** The committee, or its subcommittees, are authorized to study and review economic development issues. The committee's duties include special emphasis on international trade, tourism, investment and industrial development, and assisting the legislature in developing a comprehensive and consistent economic development policy.

## Office of Lieutenant Governor Goals Statement:

- *To keep legislature abreast of issues that impact economic development and international trade.*
- *To provide a means for researching economic development and international trade issues.*
- *To provide a forum for organizations, companies, diplomats, foreign representatives, and others with a vested interest in the economic development and international relations, to share information that would be of interest to the state of Washington as a whole.*
- *To foster exceptional relations with foreign countries and our trading partners.*

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Representative Phyllis Kenney  
Representative Dan Roach  
Representative Velma Veloria

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# “Exploring Aquaculture Export Potential & Obstacles”

July 10, 2003



# Washington State's Role in Promoting International Trade

## "Looking for Solutions"

### "Exploring Aquaculture Export Potential and Obstacles"

**Date:** July 10, 2003  
**Place:** Shelton and Manchester, Washington  
**Subject:** Exploring Aquaculture Export Potential and Obstacles, joint with Senate Agriculture Committee

### Meeting Summary

The legislators attending in the morning were: Senator Dan Swecker, Senator Rosa Franklin, Senator Dale Brandland, Senator Marilyn Rasmussen, Representative Velma Veloria, and Representative Phyllis Kenney. In addition to the Lt. Governor, Juliette Schindler Kelly, Kelli Kuntz, Glenn Dunnam and legislators' and caucus' staff members were also in attendance.

The first stop in the tour was Little Skookum Shellfish Co. where Peter Becker, Ph.D, Marketing and Technical Director of Little Skookum Shellfish Growers, LLC and Vice Chairman of the Pacific Aquaculture Caucus gave the committee a tour of his shellfish farm. Skookum Shellfish is a model because of their successful approach to economic analysis and harvesting. Dr. Becker described the aquaculture industry as underestimated and under-regulated. He explained that



aquaculture is the largest employer in Pacific County and the second biggest employer in Mason County. All shellfish can be eaten directly after removal from the bay. In most other countries, the shellfish must be treated before they can be sold. This gives Skookum Shellfish (and other local growers) an edge on the world market. The committee then traveled to nearby Taylor's Shellfish Co., where Bill Dewey, Project Development and Public Affairs manager, discussed Taylor's history and market products in-depth, and described the obstacles Taylor faces, primarily the various country requirements for exports. They were then given a tour of Taylor's operations.

*LCEDIR members visit Little Skookum Shellfish beds.*

Statewide, the geoduck harvest is presently estimated to be 4 million pounds per year. Geoduck sells for \$6-10 per pound, and is one of the most lucrative shellfish the company harvests and sells to international markets, primarily China and a new market in Singapore. With promisingly high profit returns, Taylor Shellfish believes this shellfish may help fill the \$7 billion deficit in the seafood trade. The Department of Natural Resources (DNR) collects \$11 million in revenue each year on its leased land geoduck harvest alone. The lease rates DNR charges growers



*Members tour Taylor Shellfish Company's plant.*

are highly contested. DNR is considering increasing lease rental rates for harvest of beds on state lands. Although these rates are low compared to the timber industry and are based on a percentage of yield on the property, they are extremely high compared to rates in Canada (\$15,000 compared to \$500, or 3:1). The only users who are renting this space are shellfish growers; competition is an insufficient explanation for why rates are so high. The net effect is that shellfish growers, including Taylor, are leaving the state to expand their business in Canada. In Canada it is also easier to obtain a permit for leasing, which makes doing business there attractive.

The committee then traveled north to the National Marine Fisheries Services laboratory in Manchester, Washington. Dr. Conrad Mahnken, National Aquaculture Coordinator of the National Oceanic and Atmospheric Administration (NOAA) and director of the National Marine Fisheries Services' Manchester Laboratory, gave the committee a tour of this partially federally-funded laboratory. During the tour, he answered many questions about the laboratory, and how it supports endangered fish research and aquaculture. After the tour, the committee gathered in the conference room. Legislators present for the afternoon session were: Senator Dan Swecker, Senator Rosa Franklin, Senator Dale Brandland, and Representative Roger Bush, in addition to the Lt. Governor and staff and members of the public and media.

The first presenter was Bill Dallas, International Trade Specialist, and Washington State Department of Agriculture. He gave an overview of WSDA's structure and responsibilities in regards to aquaculture. He was followed by Dr. Peter Becker, who focused on how aquaculture development can support higher employment in coastal communities and increase exports of Washington state products. Aquaculture is already a significant source of sustainable jobs and income for rural Washington communities. Shellfish aquaculture alone produces over \$85 million in revenues annually in Washington. It can be an even *greater* contributor with limited state support.

Jim Barfoot and Senator Dan Swecker were co-presenters on the topic "fish farming and export". Mr. Barfoot, President and COO, Trout lodge, Inc. discussed trade impediments to aquaculture (currency fluctuations, tariffs/import issues, fish health issues and regulations). Senator Dan Swecker, Chairman, Pacific Aquaculture Caucus Secretary-Treasurer of the Washington Fish growers Association, reviewed fish farming in our state.



The last presenter was Dr. Conrad Mahnken giving a summary of aquaculture in the United States. He discussed the increasing importance of aquaculture as a source of seafood in the U.S. as well as globally. Domestic production does not meet demand and stock enhancement is helping to rebuild depleted fisheries.

In summary, the presenters during the tours and meeting painted a picture of a controversial industry somewhat misunderstood in the U.S. They asked for Washington legislators to support the industry in various ways: against opponents including fishermen, environmentalists and others; by maintaining funds for the WSU veterinary school; by promoting pro-business policies; and, by helping create the position of an aquaculture coordinator responsible for coordinating the agencies that regulate the industry. If these steps are taken, it will reduce the trade deficit in seafood and help grow the state's \$500 million in seafood exports, while adding jobs in coastal areas where unemployment is high.

### **Key Findings:**

- There is some discontent among shellfish growers regarding state policies. Private growers are upset that they are paying high property taxes, and ask the state in return, "What have you done for us lately?"
- Until 1983 aquaculture fell under the WSDA. In 1983 the state legislature followed a national trend to transfer this authority out of the WSDA into other agencies. Since then growers complain that there is no real support for their industry. USDA helps some at the federal level, and there is mixed monitoring from the Department of Fish and Wildlife (DFW) (monitoring disease), Department of Natural Resources (DNR) (regulating geoduck production) and Community Trade and Economic Development (CTED) (helping with economic growth in clusters).

### **Washington shellfish facts:**

- Demand: Worldwide demand for shellfish exceeds supply. The majority comes from aquaculture.
- Supply: Washington state is the leading shellfish producer in the U.S. for clams and oysters.
- Clean Water Marketing Advantage: Washington state law does not allow depuration of shellfish and all commercial shellfish must be from state-certified clean waters to be harvested, which is unique in the U.S. and most of the world.

### **The major constraints to aquaculture development in the United States and Washington:**

- No clear regulatory authority to locate in the Exclusive Economic Zone
- Little federal/state support for research and development
- Potential for social/economic impact to traditional capture fisheries
- Science of marine fish stocking (replenishment) undeveloped
- Environmental impacts not well understood
- Competing uses of the coastal zone

## **Presenters' Recommendations:**

### **Dr. Peter Becker**

- 1) State government actions that would help the aquaculture industry:

Establish seat of responsibility for resolving permitting and agency disputes; coordinate aquaculture.

- DFW has not been eager to help (lack of incentives).
- Unify three agencies' activities (DFW, DNR, Department of Health (DOH); CTED coordinated this work in the 1970s, but does not now.
- Unify overall coordination under one office, have an "aquaculture coordinator".

State resources

- Establish a shellfish lab at the state level to learn more.
- Establish an aquaculture specialization in state universities

Maintain the law that only harvest shellfish can be eaten straight out of the water

- Ensures water quality
- Maintains Washington growers' world market advantage

- 2) The NOAA Marine Aquaculture Initiative is a potential major source of new sustainable jobs for coastal communities and export revenue for the state. Requested actions are:

- Resolution from the legislature endorsing the expansion of environmentally-responsible aquaculture.
- Active cooperation from state regulatory agencies.
- Removal of needless bureaucratic regulations.

### **Dr. Jim Barfoot**

- Continue funding WSU Veterinary School.
- Formalize unified "competent authority" to certify disease absence to replacement the current conflicting responsibilities;
- Continue moving towards lower level and local control.
- Allow electronic signatures for export documentation.
- Support efforts for identifying non-lethal sampling techniques.



### **Specific recommendations to alleviate regulation issues:**

- Reduce the time for permitting.
- Reduce the minimum wage.
- Free up under-utilized resources.
- Reduce the mandated health coverage.
- Embrace business as a friend.

### **Senator Dan Swecker**

#### **Ways to work together:**

- Stop shooting each other in the foot.
- Work together for “fair trade”.
- Generic marketing in the U.S.
- Work to support hatchery programs.
- Establish code of practices/environmental quality/sustainability.

### **Committee Members' Recommendations:**

- See Dan Swecker's recommendations.
- Rep. Voloria: support re-establishment of the position of an “aquaculture coordinator”.

### **Next Steps:**

- Propose legislation to re-establish an independent aquaculture coordinator, working with Senator Swecker?



*“Bringing the World to Eastern Washington”*

*September 25-27, 2003*



## **“Bringing the World to Eastern Washington” International Relations and Economic Development tour**

**Date:** September 25-27, 2003  
**Place:** Yakima, Prosser, Sunnyside, Tri-Cities, Walla Walla  
**Subject:** International relations and economic development tour for foreign consuls

### **Meeting Summary**

The idea for this tour came during the September 2002 consular mission meetings in San Francisco with 23 foreign consulates/trade groups. It became apparent to Lt. Governor Brad Owen and other members attending these meetings, that although the state of Washington has 36 foreign consulates physically located in our state, the vast majority of foreign consulates who have jurisdiction in the state of Washington do not have an office located here. As a result, the important consular activities of these countries involving Washington State must be conducted from Los Angeles or San Francisco. Many of these foreign consuls/trade officials had not had the opportunity to visit the state of Washington for a variety of reasons. The lieutenant governor believed that by participating in a tour of business, education, and tourism opportunities in Eastern Washington, they would have a better understanding of their jurisdiction area and its constituents. This would also provide an important opportunity to showcase a key area of Washington State. Staff began strategic planning for the tour in February 2003. Based on discussions with local leaders, the lieutenant governor decided to pursue an economic development and international relations tour of Eastern Washington, with a focus on the geographical corridor between Yakima and Walla Walla. The date for the tour was set for late September 2003, and the name “Bringing the World to Eastern Washington” was decided upon for the tour. The tour developed into a working partnership of the



*Vice President of the Consular Association of Washington, Consul Miguel Velasquez of Peru presents a recognition award to the lieutenant governor during the Tri-Cities dinner and trade show.*

Office of Lieutenant Governor Brad Owen, the Legislative Committee on Economic Development and International Relations, and the communities of Yakima, Prosser, Tri-Cities and Walla Walla. The two core groups became the Yakima area community leaders led by Kathy Coffey, president of the Yakima Visitor and Convention Bureau and the Tri-Cities area group led by Kris Watkins, president of the Tri-Cities Visitors and Convention Bureau.

The communities of Yakima, Prosser, Tri-Cities and Walla Walla each developed a local planning committee to address planning and fundraising for their local tour events, with the overall coordination and oversight handled by the Office of Lieutenant Governor.

It was decided that invitations to visit Eastern Washington for a tour of the region would only be sent to those consulates in San Francisco and Los Angeles who did not have an on-site consulate in Washington state, all our local career and honorary consulates, and the Taipei Economic and Cultural Office (TECO).

The lieutenant governor's staff traveled to the Yakima Valley region on six different occasions to meet with the planning committees. This included a tour planning and protocol briefing in August in Yakima and the Tri-Cities, and the lieutenant governor's press conference in Yakima and editorial board meetings with the Tri-Cities Herald and the Yakima Herald Republic. In addition to these meetings, Antonio Sanchez and Juliette Schindler Kelly joined committee meetings by conference call and communicated daily by phone and e-mail with their primary contacts in the region. They also worked closely with Representative Mary Skinner and Senator Pat Hale, among other legislators involved in the event. After months of intensive preparation, the tour dates arrived.

### **September 25, 2003:**

The two buses left the Sea-Tac Marriott Hotel at 7:15 a.m., loaded with an enthusiastic group of consuls, spouses and a couple members of the media. Upon arrival at the Yakima Valley Museum, there was also a brief reception including refreshments. In addition to being greeted by the local elected officials and community members, the consuls and spouses were received by the International Women's Association, a group of women with international backgrounds, who acted as ambassadors of goodwill for the city of Yakima. (This was one of several details for the first day that Representative Skinner arranged.) There was a welcoming event that included speeches by the mayor of Yakima, Mary Place, the Yakama Nation Chairman, Representative Skinner, and Senator Honeyford. The delegation then traveled to the Yakima Convention Center for the official welcoming

lunch hosted by the local Rotary Clubs and a Yakima Valley business trade fair organized by the Yakima planning committee. When the guests arrived at the Convention Center, a Mexican mariachi band began to play. Members of the local Rotary Clubs lined the entrance hall with signs bearing the names of the countries in attendance. One by one each of the consuls and their guests made their way through the receiving line. The guests then viewed a local business trade fair and met with local officials and others. The trade fair had approximately twenty booths representing a wide cross section of the local businesses.



*Consul Hubertus Guenther of Germany and his wife Tanya Guenther make their way up the steps to the entrance of the Yakima Valley Museum to attend the morning reception.*



The consuls were able to visit each booth and exchange information with the business representatives. The trade fair was followed by the Rotary luncheon, which featured several locals welcoming the consuls and a response and short speech by Consular Association President,

Ronald Masnik. The delegation then re-loaded the buses and experienced an agricultural driving tour. Local agricultural experts described the history and nature of agriculture production in the Yakima Valley during the hour-long drive. At the Sunnyside Dam Ross Sockzehigh of the Yakama Nation discussed the tribe's cultural connection to the river and their economic situation. The next destination was the Yakima Chief hops processing plant in Sunnyside. The delegation was toured the plant, received a short history of local hop production, followed by a reception.



*Senator Paull Shin together with Consul General Remco Hendrikse and his wife Michelle Hendrikse view the wide variety of Washington Wines at the Yakima lunch and trade fair.*

After a short drive to the town of Prosser, the group was greeted at the Horse Heaven hotel by the mayor Marvin Ward of Prosser and a few city council members. The hotel owner and manager and the Prosser police arranged to have the Prosser Explorers Club take the luggage off the bus and deliver it to the rooms. The day ended with a reception and dinner at Hedges Cellars in Benton City, the region and wine appellation called Red Mountain, Washington. While en route, consultant Janet LeDuc spoke to the consuls about "Washington Wine Country", the burgeoning fine wines and tourism in the wine-growing regions of Washington. Upon arrival at the winery, they were greeted by Tom and Marie Hedges. There were interviews with television media and a reception on the veranda overlooking the sunset and Mt. Adams. Dinner followed in the winery barrel room. There were several short speeches and a lot of socializing. In fact, the Yakima committee's wrap-up meeting notes stated that the delegates liked it so much that they didn't want to leave.



*Lieutenant Governor Brad Owen and Consuls Adnan Saa'id of Malaysia and Ricardo Antezana of Bolivia participate in a tour of the Yakima Chief hops processing plant in Sunnyside, Washington.*



## September 26, 2003:

Early in the morning several members of the delegation attended the first day of the annual Prosser Hot Air Balloon Festival. The delegation toured the different hot air balloons that were being prepared for their mass ascent and were given an explanation of how the balloons worked. Some of the members were treated to a balloon ride. Those that remained on the ground had breakfast at the balloon launch site.

The delegation members who chose the golf excursion left the hotel early to make an 8:00 a.m. tee time. Following the golf game, the golf delegation had lunch at a nearby restaurant and awarded prizes to the top players. A press conference was then conducted on the veranda overlooking the river. The lieutenant governor, Senator Hale, and Kris Kelly Watkins addressed the local television media. Following the press conference the consuls of the United Kingdom and Malaysia were interviewed by the local media.

The “Experience and Savor the Birthplace Washington Wine” excursion began in Prosser and took a group of consuls and their spouses to see wine production, apple harvesting and packing, a hops kiln, some of the most advanced farm technology of the region, and to meet



*Senator Franklin, consuls and other committee members are given a tour of the Holtzinger Fruit Company processing plant in Prosser and view how Washington apples are sorted.*

research scientists at the University Research Center in Prosser. The Columbia River Jet Boat Tour was an opportunity for some members of the delegation to experience the Hanford Reach National Monument and all the natural and historical wonders and tourism attraction of this remote area of the state. The members of the delegation on the Walla Walla Wine, Wind and Heritage tour made their way on bus from Prosser to Walla Walla. They visited two innovative agricultural- based manufacturing companies, watched grapes being crushed

to make wine, and had a sampling of Washington wines, visited historic downtown Walla Walla and the largest electricity-generating windmill farm in the world.

The busy day ended with a trade show, entertainment and formal dinner at the Trade Recreation and Agricultural Center (TRAC). The consuls took full advantage of the information offered and the networking possibilities at the booths in the trade show. They enjoyed the entertainment before and during dinner and used the opportunity to present the lieutenant governor with an award for his contributions to international trade and tourism. The Lt. Governor gave the keynote speech, which was received warmly by the consuls. A group photograph with the countries' flags in the background capturing the scene and ended the evening as well as the official tour.

## **Key Meeting Outcomes**

The tour was the highlight of the 2003 interim meetings of the Legislative Committee on Economic Development and International Relations. Foreign consuls and international trade officials often play an important role in facilitating local trade opportunities for their respective countries. Recognizing this fact, the tour objective was to showcase the business, economic, higher education and tourism industries in the Eastern Washington so that the international representatives will be aware of the regional opportunities. It was an historic effort on behalf of Washington State to reach out to our international trading partners as a gesture of goodwill, and reinforce our ability and willingness to develop a long-term cooperative partnership. Furthermore, it was an opportunity for the foreign consuls/trade officials to learn more about the state of Washington with a particular emphasis on an important agricultural and wine-producing region of our state. All those involved expect that the relationships developed during this tour will result in the development of business, trade, and tourism opportunities. Based on the comments made by the foreign consuls who participated, the local community planning committees, local



*Consuls and legislators end their busy day at a dinner held in their honor at the new Hedges Winery in the Red Mountain region.*

legislators, and the press, these goals were achieved and the event was an overall success. Both the verbal and written feedback confirms this. Consul Ronald Masnik, in correspondence after the tour stated, "Wearing my hat as President of the Consular Association, I want to tell you how pleased my colleagues and I were with the Eastern Washington International Relations Tour. It was beautifully planned and very successfully executed".

The tour definitely promoted Washington wine. Many of the consuls commented on the quality of the wines and how they would sell well in their home markets. Value-added agricultural technology also interested some of the consuls. Both the exhibits at the Rotary luncheon in Yakima and the trade show in Tri-Cities offered excellent opportunities to learn about these and other Eastern Washington products and services and to make important contacts for future international business. Several of the companies represented in the Tri-Cities trade fair show have already been in contact with some of the consulates to follow up on potential business opportunities. One consul took some of the printed information with him to his country as part of a report so that agricultural officials could consider using some of the agricultural technology that was presented to him during the tour.

The consuls now have the contacts to follow up with Washington companies independently in regards to their business interests. Examples of tour outcomes include the Romanian consul has been working with CTED to locate a Washington environmental consulting firm that can help Romanians with municipal water filtration. They have also spoken to a Yakima company that makes equipment for screen filtration of water for large particles. The Seychelles consul is exporting Washington wine and is now exploring possibilities of opening a bed and breakfast in the area. The British consul referred to the Lt. governor's staff a Washington businessman working an English company and recruiting them to expand their manufacturing in Washington rather than the east coast.

### **Post-Tour Follow-Up:**

The Yakima committee had a wrap-up meeting in which they decided on a plan to keep regular contact (about twice annually) with the consuls who participated in the tour. This includes adding them to mailing lists so they would be invited to receptions and other events across the state. They also discussed having another "consular tour", the same time of year, in about two years' time.

The other communities were not as specific in their ideas for follow up, however individual companies who participated in the Tri-Cities dinner and trade fair have contacted some of the consuls to try to establish further business opportunities.

# “Exploring the Impact of Sea-Tac International Airport on Washington State’s Economy”

November 4 , 2003



# “Exploring the Impact of Sea-Tac International Airport on Washington State’s Economy”

**Date:** November 4<sup>th</sup>, 2003  
**Place:** Sea-Tac International Airport, Sea-Tac Washington  
**Theme:** Exploring the Impact of Sea-Tac International Airport on Washington State’s Economy

## **Meeting Summary**

The committee reviewed how the state’s largest and most active airport, Sea-Tac International Airport, impacts the economy of this state. This meeting was the result of a personal meeting the Lieutenant Governor held previously with airport officials, where he was briefed about how the Port of Seattle was responding to Lufthansa’s decision to locate its international hub in Portland, Oregon and how it was conducting its overall marketing efforts post 9-11-2001. The lieutenant governor believed that it would be important to have the LCEDIR committee further review how the Sea-Tac International Airport markets its services, how it coordinates its



marketing efforts with the relevant departments in the state, how it coordinates with other local transportation modes, and how all of these efforts impact tourism and the overall economy of the state.

*Mic Dinsmore, Chief Executive Officer for the Port of Seattle*, was the first panelist before the committee. Beyond his welcoming comments, he took this opportunity to remind the committee of the dynamic conditions under which the airport is conducting its daily business and to highlight the key role that the airport plays in supporting travel-related business throughout the state.

*Mark Reis, Deputy Managing Director for Sea-Tac International Airport* provided a briefing on the airport’s marketing efforts, estimated business revenues, job development, and the massive capital improvement plan now underway at the airport.

In an effort to get the perspective of a key hub airline at Sea-Tac International Airport, the committee invited *Don Garvett, Vice President of Planning and Revenue Management for Alaska Airlines*. Mr. Garvett described how Alaska Airlines conducts its business here and its relationship with the airport, local community and the state. He noted that his company contributed to the growth of the airport through employment, air access, the purchase of products and services, taxes, and community contributions.



**Jim Morasch, Director of the Tri-City-Pasco Airport** described the importance of the Sea-Tac International to local Washington airports and their economies. He noted that his local airport depends greatly on the Seattle-Tacoma Airport and described how the two airports work together to build our state's vital airport transportation network and infrastructure.



*Initial third runway construction at the Sea-Tac Airport.*

**Bill Center, President of the Washington Council for International Trade** provided the committee with information on how the Sea-Tac International Airport impacts international trade. He shared his ideas on the international community's perception of the Sea-Tac International Airport and how important it is for the expansion project to precede on its course to rapid completion.

**Don Welsh, Senior Vice President for Sales and Marketing for the Seattle-King County Visitors Bureau** highlighted the key role that the airport plays in attracting overnight visitors to Seattle. He also explained the role and relationship between the Port of Seattle, the travel industry suppliers, and the Seattle-King County Visitors Bureau. Also covered in his presentation was an explanation of how tourism marketing relies on the Seattle-Tacoma International Airport being a world-class airport.

**Kazue Ishiwata, Senior Manager, Air Service Development Seattle Tacoma Airport** provided background information on how the airport markets Washington state. Strategic international marketing efforts developed by the Port of Seattle have yielded many positive short- and long-term results.

**Committee Airport Tour:** Following the official committee meeting the Committee was taken on a tour of the airport runway facilities, current construction, and a review of where the third runway is hoped to be constructed.



*Airport terminal renovations include the construction of a new restaurant and viewing area.*



## **Key Findings:**

- Increase in the state's population over the past decade coupled with our state's leadership role in international trade has resulted in a need for the Seattle-Tacoma International Airport to undergo extensive renovation and change to make room for increasing numbers of passengers.
- Much of the state's economy hinges on facilities such as the airport and it is important that the state policy makers recognize this.
- Sea-Tac International Airport handles 26.7 million passengers, 365,000 take-offs and landings, and 375,000 metric tons of cargo annually.
- Sea-Tac International Airport provides \$6.9 billion in business revenue, \$209 million in state and local taxes, 42,000 direct and indirect jobs, and \$655 million in direct wages annually.
- Local airports (Bellingham, Wenatchee, Port Angeles, Walla Walla, Tri-Cities, Yakima, Moses Lake, Pullman, and Spokane) provide approximately 900,000 passengers to Sea-Tac International Airport yearly.
- Sea-Tac International Airport has made substantial recovery since 9-11-2001 and is ahead of other airports nation-wide in efforts to recovery from the downturn in air traffic.
- Projected passenger growth is expected to be substantial after 2006 and the \$3.5 billion of planned capital improvements are expected to keep pace with the new demand while also making it a world-class facility.
- While some airports offer incentives for new international routes, the Seattle Port will not match incentives, but offer some marketing support.
- Airlines, such as Alaska, contribute to the growth of the airport and the state through employment (14,831 employees), air access, purchasing products and services, taxes and fees, and community contributions.
- Seattle had 8.51 million overnight visitors in 2002 who spent \$3.57 billion. The three leading origination points are: Washington state, the Midwest, and Washington DC. Together these three places make up 63 percent of the total. Overnight stays have resulted in creating many jobs.
- Japan (20%), UK (15%), Germany (8%), and Australia (7%) make up the highest international overseas visitors to Seattle.
- A world-class Seattle-Tacoma Airport is an essential requirement for the state to compete on the world stage, attract international business and improve our trade relations.
- Any major delays in completing the airport's capital projects of expansion will be perceived as a negative element in marketing this region to the international community.
- Seattle Tacoma Airport is the 15th largest airport in United States and is the primary airport for the Pacific Northwest region this places it in a unique position for developing trade.
- Sea-Tac target markets include Osaka (Japan), Hong Kong, Beijing, Shanghai and Guangzhou (China), Taipei (Taiwan), Seoul (South Korea), Singapore, Paris, London, Frankfurt (Germany), and Mexico City.

## **Presenters' Recommendations:**

- The legislature should provide forums like this one to gain more information on what the Port of Seattle is doing to enhance the economy of this region.
- The state should consider ways to protect the functioning of the Seattle-Tacoma International Airport, whether it is to help streamline the complex and unprecedented regulatory scrutiny that the port must undergo or help ensure that transportation improvements on state and local roads have the capacity to move traffic to and from the airport.
- The state should invest more funds in state-wide marketing efforts to increase all forms of tourism.
- Policy makers should encourage alignment and cooperation between state, port, and private industry efforts in international marketing.
- The Department of Community Trade and Economic Development should have marketing brochures done in the foreign languages that correspond to their strategic international markets such as France.
- Efforts should be made to streamline regulatory permit processes to ensure efficient functioning of facilities of statewide significance and to enhance responsiveness to public and economic development demands.
- Buses, train, other forms of connected transportation option are essential and adequate connections must be constructed to essential state airports.
- Support is needed to improve the airport's capacity to meet the state's projected long-term economic and transportation needs.
- The state must minimize the operational and growth constraints the airport is now facing under the current land use and building permitting process.
- The state should consider reducing tax and tax-like fee burdens that now make up 26 percent of a typical ticket price.
- Statistical data on the international visitors market is critically needed and efforts should be made to help the Port of Seattle obtain this essential data.



*A special thank you to the following foreign consuls who participated in  
the Bringing the World to Eastern Washington Tour:*

Consul Ricardo Antezana, Republic of Bolivia  
Consul David Broom, United Kingdom of Great Britain and Northern Ireland  
Consul Frank Brozovich, Republic of Croatia  
Consul Fred Cerf, Grand Duchy of Luxembourg  
Consul General Anne Lise Church, Republic of Seychelles  
Consul Jack Cowan, French Republic  
Consul Enid Dwyer, Jamaica  
Consul Jorge Gilbert, Republic of Chile  
Consul General John Gokcen, Republic of Turkey  
Consul Hubertus Guenther, Federal Republic of Germany  
Consul Jahn Hedberg, Kingdom of Sweden  
Consul Remco Hendrikse, Kingdom of the Netherlands  
Consul Daravuth Huoth, State of Cambodia  
Vice Consul Masri Idris, Federation of Malaysia  
Consul Mark Kask, Republic of Estonia  
Consul Krzysztof Kasprzyk, Republic of Poland  
Consul General Jae-guock Kim, Republic of Korea  
Consul Victor Lapatinskas, Republic of Lithuania  
Consul Enrique Lasso, Republic of Ecuador  
Consul Claudiu Lucaci, Romania  
Consul Jorge Madrazo-Cuellar, United Mexican States  
Consul H. Ronald Masnik, Kingdom of Belgium  
Consul Are-Jostein Norheim, Kingdom of Norway  
Consul Brian Parrott, Canada  
Consul Len Reid, Commonwealth of Australia  
Consul General Delia Menez Rosal, Philippines  
Consul Adnan Saaid, Federation of Malaysia  
Consul Tatsuyuki Shimazu, Japan  
Consul Isinthorn Sornvai, Kingdom of Thailand  
Consul General Mayra Centeno St. Andrew, Republic of Nicaragua  
Consul Matti Suokko, Republic of Finland  
Consul General David A.H. Van Iterson, the Netherlands  
Consul Miguel Velasquez, Republic of Peru  
Consul General Vladimir I. Volnov, Russian Federation

*(Please see photograph of attending consuls, Lt. Governor Owen & Miss Tri-Cities, Jade Redinger on back)*



*Bringing the World to  
Eastern Washington Tour  
September 25-27, 2003*